

Att. PAO 84-0386

REMARKS OF WILLIAM J. CASEY

DIRECTOR OF CENTRAL INTELLIGENCE

before

ASSOCIATION OF FORMER INTELLIGENCE OFFICERS

TENTH ANNUAL CONVENTION

Holiday Inn Crowne Plaza Hotel

Rockville, Maryland

20 October 1984

Despite the turbulence and winds of the political season, I am pleased to be with you this evening. The winds may be at their peak this weekend or get windier over the next two weeks. In any event, I appreciate this opportunity to visit with old friends and to thank each of you for the encouragement, understanding and support we get from AFIO. You have implemented the theme of your tenth annual conference, "Eyes and Ears of the Free World," in so many ways with your interest and constant encouragement and your support of our recruiting and our legislative needs. AFIO has managed to take the sting out of some news stories when we felt helplessly maligned.

In the wake of the bombing of our Embassy in Beirut and the crashing of a reconnaissance plane in Salvador, we are reminded all too keenly that intelligence officers risk and give their lives to preserve freedom and protect our national security.

Tonight I would like to talk to you about how intelligence has changed, the new challenges we face, and the progress we have made in rebuilding our capabilities in the last couple of years.

When I was appointed DCI, President Reagan defined specific things he wanted to see accomplished. They were: reestablishing the President's Foreign Intelligence Advisory Board, legislation on criminal sanctions against disclosing the identities of US intelligence officers, relief from the Freedom of Information Act, undertaking an urgent effort to rebuild the intelligence agencies and to improve capabilities for technical and clandestine collection, cogent analysis, counterintelligence, and capabilities to influence international

events vital to our national security interests. This is an appropriate time to review this because this last week the President signed legislation exempting CIA's operational files from Freedom of Information Act requests. With this, we can feel comfortable that all of these objectives have been either attained or well under way. The President's Foreign Intelligence Advisory Board is functioning effectively, Identities legislation has been enacted into law, with the approval of the FY-85 budget we have in hand the resources needed to complete over 80 percent of the five-year program to rebuild from the 40 percent reduction in funding and 50 percent slash in personnel which the Intelligence Community suffered during the 70s, with the balance to be requested in the budget which will go to the Congress next January. This could not have been accomplished without the support AFIO has given to every aspect of this program.

Where are we today? There appears to be a conviction among our people that the Intelligence Community has never been in better shape. That opinion is widely shared throughout the components which make up our Intelligence Community. We have rebounded from the cuts of the 70s. We have a growing and dedicated work force. A new headquarters building completed for the Defense Intelligence Agency and under construction at the CIA. A bigger budget. Improved morale. We are fit, healthy, and have rededicated ourselves to excellence.

Many of you, as myself, were there at the birth of our national intelligence service. If you were to return today, many things would be familiar. Commitment and dedication, willingness to challenge the conventional wisdom, the basic principles of sound analysis and effective collection, the can-do spirit. Much would also be new.

One dramatic difference is in the number of targets. The Soviet Union is still our primary focus, but other targets have become important. Today, many of this country's enemies operate mostly underground, dealing with drugs, terror and blueprints as well as weapons and subversion across international borders and wherever instability and revolution can be generated.

The Soviets continue to expand a large arsenal of nuclear weapons aimed at the United States, Western Europe, and East Asia. New missiles and missile-carrying aircraft and submarines are being designed, developed, tested, and deployed in amazing profusion. This is augmented by work carried on over the last decade to improve their missile defenses.

In Europe, the Warsaw Pact conventional forces outnumber NATO in troop strength, tanks, guns and planes. Smart bombs, anti-tank and anti-aircraft missiles along with other sophisticated conventional weapons are being deployed in an increasingly aggressive way. A growing number of long-range missiles are aimed at capital cities and military targets in Western Europe.

But the main threat from the Soviets may lie elsewhere. As early as 1962, Khrushchev told us that Communism would win--not through nuclear war which could destroy the world, or even conventional war which could lead to nuclear war--but rather through wars of national liberation in Africa, Asia, and Latin America. Today, after 20 years of promoting and supporting such wars, the Soviets and their proxies have bases in Afghanistan, Angola, Vietnam, Ethiopia, Cuba and Nicaragua, from which further attacks are being made today into Pakistan, El Salvador, Sudan, Kampuchea, and where next?

But for the last few years there has been a difference. Whereas in the 1960s and 1970s anti-Western causes attracted recruits throughout the Third World, the 1980s have emerged as the decade of guerrillas resisting Communist regimes. Today in Afghanistan, Angola, Cambodia, Ethiopia, and Nicaragua, to mention only the most prominent arenas, thousands of ordinary people are volunteers in irregular wars against the Soviet Army or Soviet-supported regimes. More than a quarter of a million people have taken up arms against Communist oppression in these countries.

Moscow views the Third World as our Achilles Heel and the increasing economic and social strains in underdeveloped countries will afford them many opportunities in the future.

To implement its overall strategy, the Soviets use the worldwide apparatus of the KGB, plus some 70 non-governing Communist parties, plus peace and friendship organizations all over the world directed from Moscow, plus the East German, Cuban and other Bloc intelligence services--all working to steal our technology, to damage our reputation, to divide us from our friends, to destabilize, subvert and overthrow governments friendly to us. Rumors, agents of influence, kept press and radio facilities and forgeries spreading poison around the world need to be spotted and countered.

CIA is the organization in the Free World most capable of dealing effectively with this enormous apparatus and frustrating its objectives. Terrorism is a new weapons system which works to dissolve the boundary between war and peace. We've seen it move from plastic charges, to assassinations, to highjacking, to car bombs and we worry about nuclear and biological terrorism.

Major terrorist organizations and a great many more "mom and pop shops" can be hired by aggressive and radical governments to serve as instruments of foreign policy. US facilities and people are a major target. Last year there were more than 550 serious terrorist attacks worldwide and all of us feel all too keenly the three disasters we suffered in Beirut. Terrorists operate in small groups on a need to know basis. Yet we have developed a worldwide counterterrorism network through intelligence exchanges, technical support, training and close relationships with intelligence and security services around the world. Terrorist attacks have been thwarted and rescue operations have been carried out in many parts of the world.

Narcotics is another problem that is engaging more and more of our attention. There is a steady flow of drugs into the United States from South America, the Golden Triangle of Southeast Asia, from Afghanistan, Pakistan, and Iran. The methods by which drug smugglers bring narcotics into this country defy the imagination. Some of the huge amounts of money being made in drugs are used to finance terrorists and revolutionary political groups around the world.

Additional resources are being committed to collecting information about narcotics and more people are analyzing that information. Coordination between intelligence and law enforcement agencies is improving steadily.

Another challenging intelligence question we face is determining the state of Soviet technology and science and the potential for military and strategic technological surprise.

In some technology areas, Soviet capability rivals our own, although the periodic estimates we produce show that the U.S. remains in the lead in most critical categories. However, we cannot afford to be complacent. Soviets are making remarkable progress and much of it with our help.

During the late 1970s, the Soviets got about 30,000 samples of Western production equipment, weapons, and military components and over 400,000 technical documents, both classified and unclassified. In 1981, we organized the Technology Transfer Assessment Center which determined that the increased power, accuracy, precision and sophistication of Soviet weapons had come from the acquisition and use of our technology to a much greater extent than we ever dreamed.

How do the Soviets get so much of our technical know-how? Three ways-- they comb through our open literature, buy through legal channels, attend our scientific and technical conferences, and send their students here to study. They use dummy firms in sophisticated international diversion operations, some legal, some illegal, to purchase Western technology. We know of some 300 firms operating from more than 30 countries worldwide engaged in these trade diversion schemes. Finally, technology acquisition has become probably the highest priority of the KGB and GRU. For some 15 years they have brought about 100 young engineers and technicians a year to develop a specialized unit of perhaps 1,000 people devoted to espionage and theft of Western technology. During 1982, this threat was extensively briefed to our liaison services and over the year and a half well over 150 Soviet agents, most of them engaged in technology theft, have been arrested or expelled or have defected in well over 20 countries around the world. Successes have been achieved in recovering stolen technology, blocking shipments and breaking up technology smuggling rings.

In addition to these changing and increasingly complex targets, enhanced technical and human intelligence collection capabilities will intensify the challenge of processing and analyzing the vast amounts of information coming in every day. We will cope with this by using supercomputers and, further in the future, with artificial intelligence. Plans are under way to improve and expand the Community's computer databases so that analysts in different agencies can better share ideas. Hundreds of analysts now have terminals right at their desks to read, compose and edit. And NSA struggles valiantly with the demanding security aspects of these new communications systems.

A great deal was heard about the purging of the clandestine apparatus in the late 1970s. Less well known is the massive departure of professionals from the analytic side of CIA during the same period. Nearly half of our analysts left between 1977 and 1981. The strength of our analytical corps has been restored and the quality of its work improved. From a low point in 1980 of only 12 national estimates, we now publish some 50 national estimates a year as well as 25 other Intelligence Community assessments. In addition, we complete about 1,000 major research projects on a nearly inconceivable range of subjects from Soviet weapons systems to political instability, the now worldwide reach of the Soviet Union, heroin production and distribution, black market arms trade, population and debt problems, and so on. This is in addition to our regular stream of periodicals--dailies, weeklies, monthlies and quarterlies.

Another dramatic difference, certainly from the early days of intelligence, is closer public scrutiny. Congress is more involved in our activities through the Congressional oversight process and the press covers us more assiduously.

In our relationship with the press some tension is inherent. Journalists are committed to finding out the most they can about us. We are committed to protecting legitimate secrets. But while intelligence should not be divorced from public opinion, neither should it be overly concerned with the daily shifts, the ups and downs, of public criticism or praise.

For decades CIA has generally not responded to criticism publicly and certainly not in detail. Public understanding and support is so vital today that we can no longer always suffer in silence. Sometimes the record needs to be put straight. We do sometimes succeed in getting false stories retracted, distorted stories corrected.

CIA's relationship with the press has gone through several swings of the pendulum--from freer, though cautious, access to "batten down the hatches." We have found that the best approach is to maintain a dialogue when possible, always making clear that our first priority is to protect classified sources and methods. Journalists realize that while our press people may not be able to tell them much, what they do tell them is the truth. Most journalists are responsible and most do try to be right.

But even one inaccurate story that we are helpless to rebut can cause a lot of damage to sources and methods, to US credibility, and to our crucial negotiations. They can provide propaganda fodder for our adversaries and save the KGB time and money.

We put a lot of effort into giving the Congress the information it needs for it to discharge its oversight and legislative obligations with a substantial legislative liaison staff and close to a thousand briefings a

year by intelligence analysts. It is vital to maintain public and policymaker confidence in not only the quality but the integrity of our assessments. For that we depend on the integrity of our analysts in a process which assures that all substantiated points of view are heard, considered and reflected. Nearly all of our assessments go to the two Congressional oversight committees whose members or staffs are in a position to detect any bias. All estimates are reviewed by the chiefs of all of the components of the Intelligence Community sitting at a board of estimates who are encouraged to stake out dissenting views. In a recent estimate claimed in the media to have been slanted, about half of this board held one view, the other half another, and each view was spelled out on the first page of the estimate. To gather alternative views, resources for outside expertise to help and critique our analysis have almost tripled and we have conducted a massive campaign to put our analysts in touch with experts in the private sector, universities, think tanks, private business here and abroad.

Our assessments are not produced in an ivory tower atmosphere. The debates and clash of ideas sometimes are rough; no one's views--from the Director to the newest analyst--are protected from challenge and criticism. It is not a place for delicate egos or mediocrity or people with special agendas. But out of that process comes, despite its imperfections, the best, most comprehensive and most objective intelligence reporting in the world. And our critics help keep it that way.

Keeping this up depends on attracting the best young people in America. That intelligence rides high with the American public is evident. Last year over 150,000 people sought to join the CIA. We are hiring only about one

out of every 100 who want to tackle the challenge of our work and far less than that for operations and analytical work. Our recruitment work is exacting and exhaustive but our standards remain high and will not be lowered. A number of the future leaders in our organization have been spotted and recruited by the alumni in this audience. I ask each of you to exploit any avenue which may be open to you to help find the superior quality people we need, and to encourage them to consider intelligence careers. Here you can and have helped us enormously.

These years as Director of Central Intelligence have been a rich and gratifying experience for me. I am honored to serve with the dedicated officers who are carrying on a fine tradition of quality, hard work, and commitment that many of you here started. Today as a nation we are facing up to some hard realities--realities that a democratic society often finds it difficult to acknowledge. We have rebuilt our defenses as well as our intelligence service. These twin pillars, if backed by a national will to remain prepared, will ensure the peace and preserve our freedoms.

Thank you for your continuing support.

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PAO 84-0386

15 October 1984

MEMORANDUM FOR: Director of Central Intelligence

FROM: George V. Lauder
Director, Public Affairs Office

SUBJECT: Address to the AFIO Tenth Annual Convention

1. Action Requested: None. This is background information for your address to the AFIO Convention, Saturday, 20 October, 7:00 - 10:00 p.m., at the Holiday Inn Crowne Plaza Hotel in Rockville. The telephone number is (301) 468-1100.

- ° Arrangements: You and Mrs. Casey are requested to be at the main entrance of the Hotel at 7:00 p.m. where you will be met by the Executive Director of AFIO, John Greaney. He will escort you to the reception in the Regency room. A receiving line is not planned. The banquet is at 8:00 p.m. in the Plaza Ballroom and your speech is scheduled to begin at 9:00 p.m. You have been asked to speak for 20-25 minutes and to allow 20 minutes for questions and answers. President of AFIO (and former Deputy Director of DIA) Major General Richard X. Larkin USA (Ret.) will introduce you. (See attached biography.) A podium with a microphone will be placed by the side of the head table which will be on an elevated platform. (See opposite for head table list.) A business suit is the dress for the evening. Your remarks will be taped for our records.

Congressman Henry J. Hyde (R,IL) is scheduled to address the group at noon and will discuss his bill for a Joint Intelligence Committee. NIO David Whipple will participate in the Saturday morning panel on the "Role of Intelligence in Fighting Terrorism." The previous day the Assistant Secretary of the Air Force, Tidal McCoy, will address the group on U.S. preparedness. Deputy Under Secretary of Defense for Policy General Richard Stilwell, PFIAB member Admiral Thomas Morrer, and General James Abrahamson, Head of the President's Strategic Defense Initiative Organization (Star Wars), will appear on a panel to discuss "A Look at the Intelligence of the Future." Opposite is a complete convention agenda and brochure showing the layout of the hotel. After the banquet, if you wish to attend, you are invited to visit one of their hospitality rooms #719 or #819.



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- ° Speech: Your proposed remarks are attached. If you have further revisions and wish a final, cleaned-up copy, please call [redacted]. We have included new sections on terrorism, the press, and leaks, as you requested. The speech takes a community perspective, mentioning new developments in other agencies as well as CIA.
- ° Audience: Approximately 400 former intelligence officers both civilian and military will be present. AFIO Honorary Board members, the Honorable Clare Boothe Luce, and Mr. John Barron, author of "KGB Today" and senior editor of the Readers Digest, may also attend.

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As far as we have been informed by Mr. Greaney, Ross Munro of Time Magazine and a representative from the Armed Forces Journal will be present. Ross Munro currently covers intelligence issues for Time.

- ° The Convention's Theme and More on AFIO: The Tenth Annual Convention theme is the "Eyes and Ears of the Free World" as President Reagan referred to Intelligence at the 24 May CIA ground-breaking ceremony. This group of former intelligence professionals was formed in 1975 to defend the active Intelligence Community. Today AFIO, with a membership of 3500, is dedicated to the development of a national understanding of the need for an effective intelligence capability. (See attachment opposite of AFIO's publication Periscope.)

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[redacted]
George V. Lauder

Attachment

DCI/PAO [redacted] /15 Oct 84

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Distribution:

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- 1 - PAO 84-0386
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